

JOINT LEGISLATIVE OVERSIGHT ON INFORMATION TECHNOLOGY OCTOBER 6, 2011

IT Organization

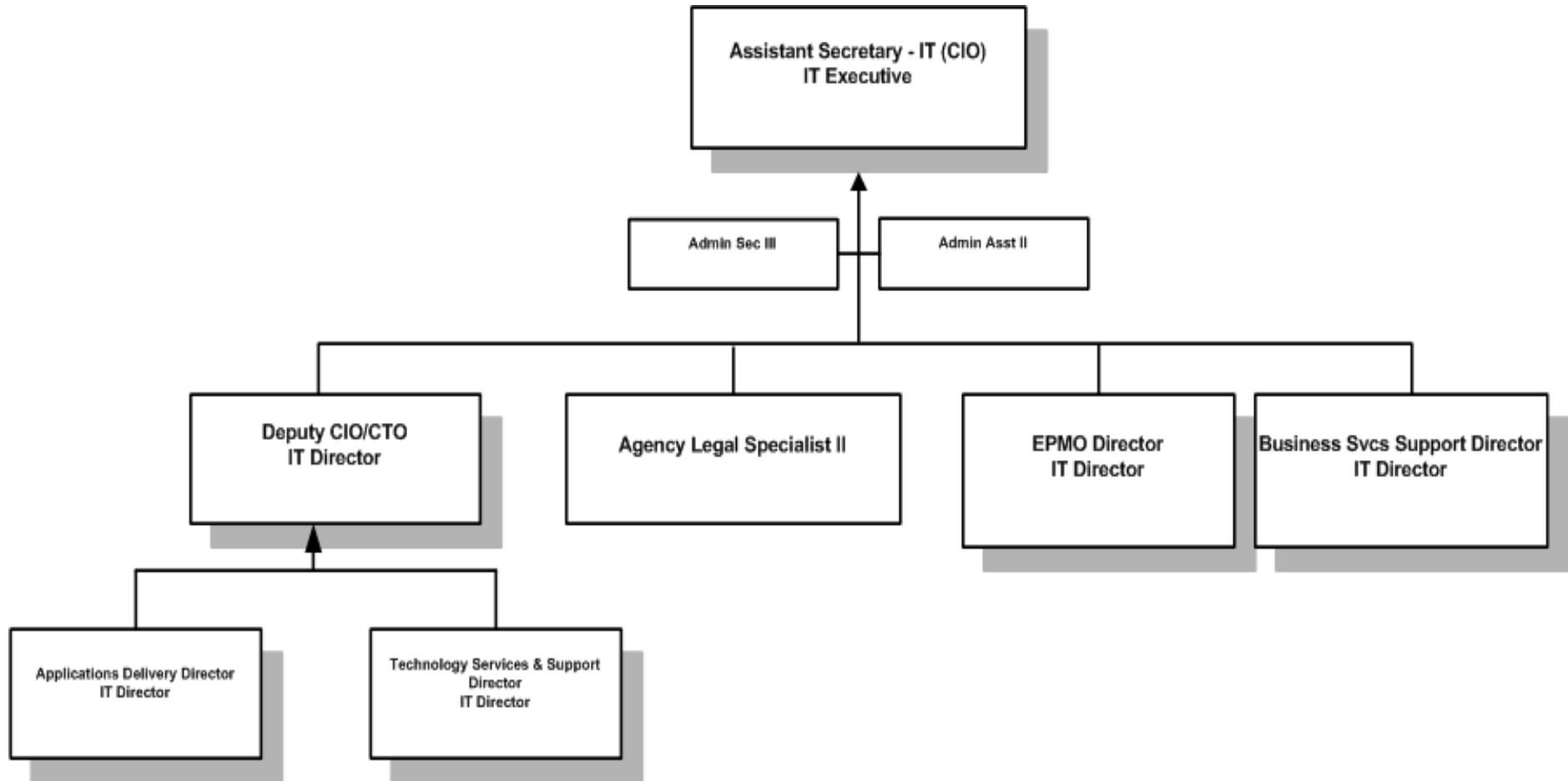
Staffing

- Number of positions = 119.25
- Divisions = 4
- Annual Salary Cost (actual) = \$9,188,579

Contractors

- Number of contractors = 9
- TIMS = \$85,811/month
- Modernized eFile = \$14,008/month
- IT = \$5,720/month

IT Organization Chart



IT Budget

| Staffing | \$9,188,579 |
|-------------------------|---------------------|
| ITS Services: | |
| Mainframe | \$7,899,615 |
| WAN | \$2,450,817 |
| Maintenance | \$1,278,380 |
| Refresh (PCs, printers) | \$ 311,908 |
| TIMS Costs | \$18,388,609 |
| Other (servers, etc) | <u>\$ 441,706</u> |
| Total | <u>\$39,959,614</u> |
| IT Expenditure Total | \$40,239,319 |
| Difference | \$279,705* |

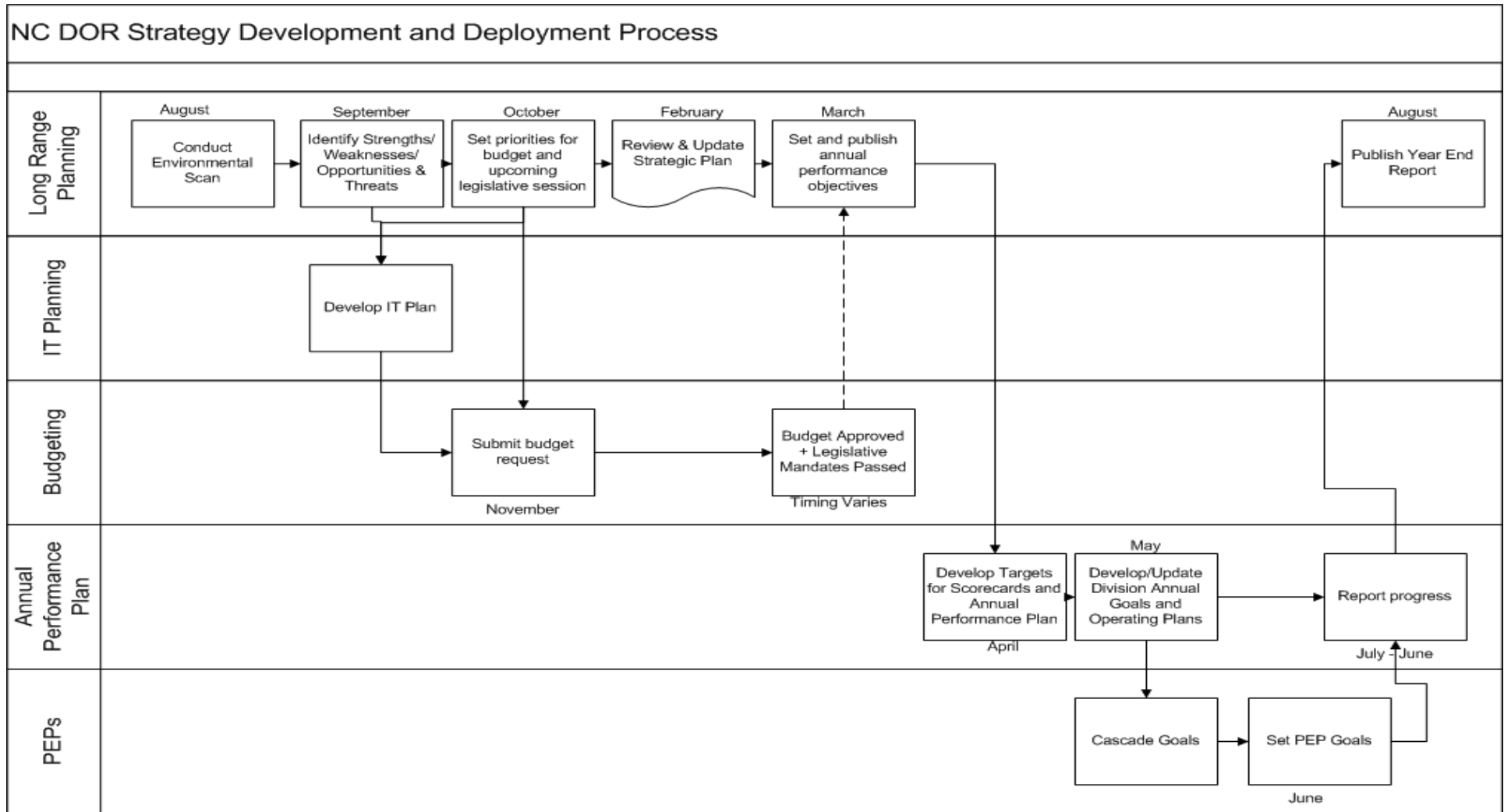
* According to OSBM, the salary reported is budgeted. Number above reflects actual salary totals.

Funding Sources

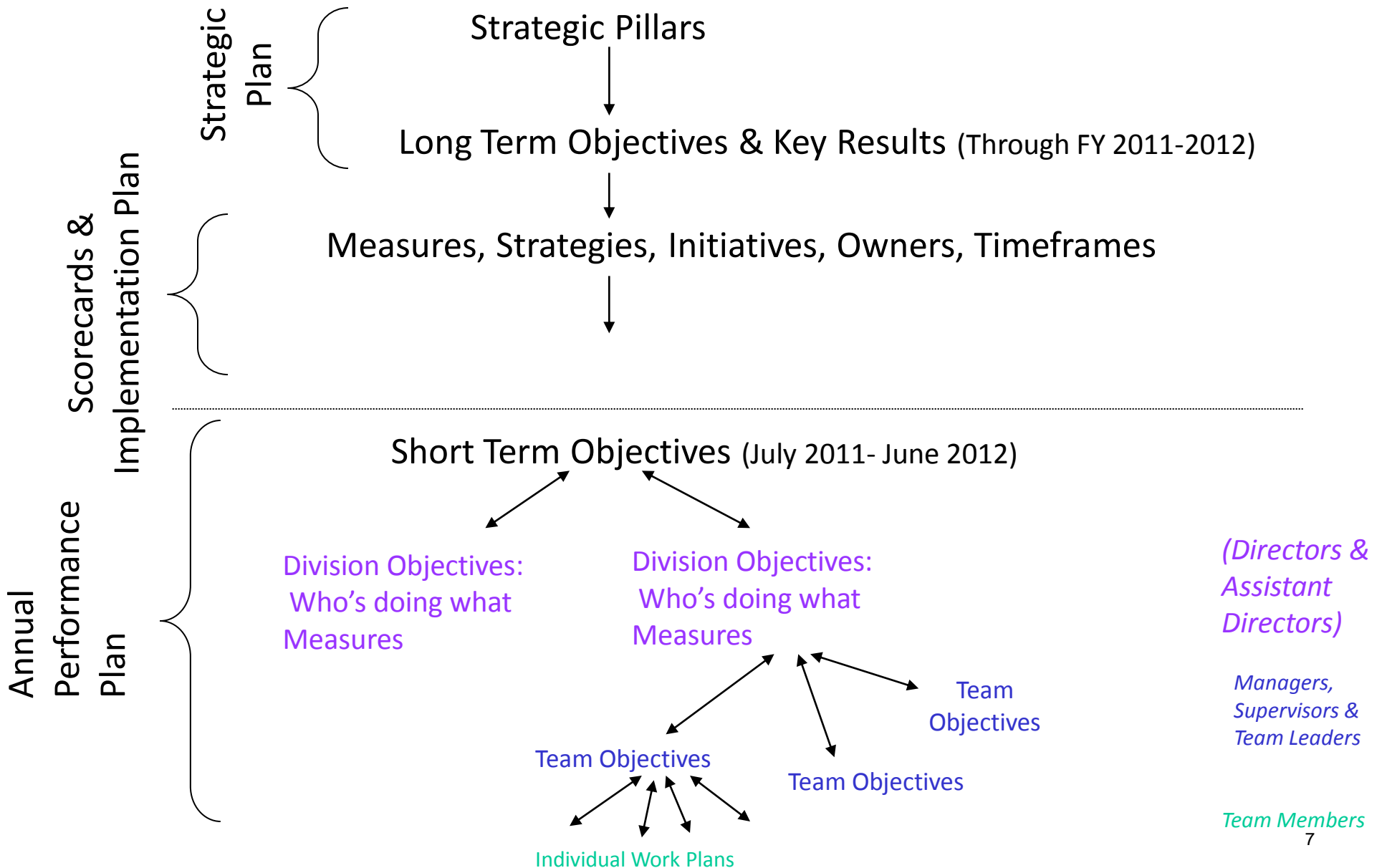


| Fund Description | Amount |
|--|--------------|
| DOR Appropriated Budget | \$19,295,879 |
| DOR Receipts | \$3,393,015 |
| TIMS 2007 Session Appropriation General Fund | \$5,000,000 |
| TIMS 2007 Session Appropriation of Collection Assistance Fee | \$15,000,000 |
| TIMS 2008 Session Appropriation of Collection Assistance Fee | \$25,000,000 |
| TIMS 2009 Session Appropriation of Benefits | \$41,000,000 |
| TIMS 2011 Session Additional Appropriation of Benefits | \$4,500,000 |
| TIMS 2011 Session Additional Appropriation of Benefits | \$6,646,557 |
| Modernized e-File | \$1,457,118 |

Planning Process



Objective Alignment



DOR Project Status Dashboard

Period Ending: August 2011

| TIMS Overall Program Status Summary – August 2011 | | | | Priority: 1 | | |
|---|---|---|----------|-----------------|----------------|-------|
| Scope | Schedule | Budget | | | | |
| Green | Green | Green | | | | |
| <u>Change requests (CR)</u> <ul style="list-style-type: none"># approved this month: one scope-related CR approved this monthTotal value of contract CRs to-date: \$210,891 (+0.3% of baseline contract value) | <u>Releases</u> <ul style="list-style-type: none">Release 2: forecasting about two months delayedRelease 3: production implementation completeRelease 5: full schedule being elaborated | | Total | Planned To-Date | Actual To-Date | % Var |
| | | Hours | n/a | n/a | n/a | n/a |
| | | Funds | | | | |
| | | Contracts | \$79M | \$61.72M | \$39.35M | 37% |
| | | Infrastructure | \$7M | \$6.14M | \$5.47M | 11% |
| | | Other DOR | \$10.16M | \$4.34M | \$4.30M | 1% |
| | | Total | \$96.16M | \$72.65M | \$48.16M | 32% |
| | | CGI Contract Payments: \$ 39.35M (56.22%) | | | | |
| | | <u>Key risks (LT escalation)</u> n/a | | | | |
| Note: Planning for current year program expenditures underway; program budget will align with Release 5 schedule. A rebaselined program budget will be available once Release 5 schedule has been finalized and baselined. | | | | | | |

| TIMS TCO* | Project Cost | O&M | TCO |
|-----------|--------------|-------------|--------------|
| FY06-07 | \$19,511 | | 19,511 |
| FY07-08 | \$174,837 | | 174,837 |
| FY08-09 | \$15,566,510 | | 15,566,510 |
| FY09-10 | \$12,479,985 | | 12,479,985 |
| FY10-11 | \$19,523,075 | | \$19,523,075 |
| FY11-12 | \$25,959,903 | \$131,250 | \$26,091,153 |
| FY12-13 | 0 | \$850,000 | \$850,000 |
| FY13-14 | 0 | \$1,250,000 | \$1,250,000 |
| FY14-15 | 0 | \$1,500,000 | \$1,500,000 |
| FY15-16 | 0 | \$1,500,000 | \$1,500,000 |
| FY16-17 | 0 | \$1,125,000 | \$1,125,000 |
| Total TCO | \$73,723,821 | \$6,356,250 | \$80,080,071 |

- Numbers currently being updated to reflect additional appropriations received this year.

Vendor Cost vs Funding Highlights



- Total Gross Benefits
 - Baseline Forecast: \$19.54M
 - Actual: \$81.33M
- Vendor Funding
 - Total Vendor Funds needed: \$79M
 - From Appropriations: \$33.51M
 - From Benefits: \$45.49M (reached July 2011)
- State's Share of Benefits
 - Total benefits allocated to State General Fund: \$16.18M

DOR Project Status Dashboard

Period Ending: August 2011

| MeF 1040 Project Status Summary – August 2011 | | | | Priority: 3 | | |
|---|--|----------------|-------------|-----------------|----------------|-------|
| Scope | Schedule | Budget | | | | |
| No baseline | No baseline | No baseline | | | | |
| <ul style="list-style-type: none">• MeF project schedule in final review• Requirements inventory complete; gap analysis underway• Technical Configuration Architecture document being finalized | <ul style="list-style-type: none">• Baseline not yet available | | Total | Planned To-Date | Actual To-Date | % Var |
| | | Hours | | | | 0% |
| | | Funds | | | | |
| | | Contracts | \$570,460 | \$0 | \$0 | 0% |
| | | Infrastructure | \$0 | \$0 | \$0 | 0% |
| | | Other DOR | \$886,658 | \$0 | \$0 | 0% |
| | | Total | \$1,457,118 | \$0 | \$0 | 0% |
| <u>Key issues (informational)</u> MeF Viewer will not support business reporting; LOE being created for alternative DTAX reporting. | | | | | | |

| MeF TCO | Project Cost | O&M | TCO |
|-----------|--------------|-----------|-------------|
| FY10-11 | \$23,412 | | \$23,412 |
| FY11-12 | \$1,345,270 | | \$1,345,270 |
| FY12-13 | \$136,036 | \$92,450 | \$228,486 |
| FY13-14 | 0 | \$108,416 | \$108,416 |
| FY14-15 | 0 | \$110,016 | \$110,016 |
| FY15-16 | 0 | \$112,452 | \$112,452 |
| FY16-17 | 0 | \$114,961 | \$114,961 |
| Total TCO | \$1,504,718 | \$538,295 | \$2,043,013 |

Current Systems



| System Name | Cost | Age | Replace/Comments |
|---|-----------|-----|------------------|
| Integrated Tax Administration System (primary tax system) | \$7MM | 17 | TIMS (2012) |
| Online Filing and Payments | \$320,000 | 9 | TIMS (2012) |
| Electronic Filing | \$42,000 | 11 | MeF (2012) |
| Data Capture (paper returns) | \$722,000 | 11 | |
| Revenue Collections Analysis (revenue accounting) | \$89,000 | 10 | TIMS (2012) |
| GroupWise (Email) | \$45,000 | 7 | |
| Retain (Email Archive) | \$13,613 | 3 | |
| Unauthorized Substances (separate tax system) | \$46,000 | 14 | TIMS (2012) |
| Electronic Funds Transfer | \$42,000 | 11 | |
| Fuel Tracking System | \$84,000 | 4 | |
| International Fuel Tracking | \$77,000 | 7 | |

PURCHASING

- DOR agreements list:

| | | | |
|----------------------------|---------------------------|-----------------------------|-------------|
| APC | ESX Ranger | Metavante Orbograph/Trinity | TOAD |
| Audio Visual | GWAVA (per user & Retain) | MyEclipse | Tripwire sw |
| Banctec/Fujitsu/E/S Series | HiT JDBC | PGP Corporate/Desktop | Visibroker |
| Blackberry | IFP | RedHat Linux | VMWare |
| CA Autosys | InfoPrint | Silk | WebInspect |
| Citrix | Integration | Sybase | Websense |
| ENGL | JIRA | Symantec CCS | |
| Erwin | JReport | ThinPrint | |

- ITS agreements list

| | | | |
|------------------|-----------------|--------------|--|
| CISCO | Nortel (TC204K) | SAS | |
| IBM Support Line | Novell | SAN hardware | |
| Microsoft SA | Oracle | SUN | |

Oversight Process

- Aligned with IT Plan/Strategic Plan and/or IT operations
- All purchases reviewed by CIO and Deputy CIO
- All purchases approved by COO, CFO and CIO
- Monthly meeting to reconcile purchasing against budget
- Bi-monthly meeting with CFO to review budget

History

- IRS 1075: Enterprise security policies shall address the purpose, scope, responsibilities, and management commitment to implement all applicable security controls.
- DOR uses IRS data match for collections averaging \$200 million annually
- Never used SB991 deviation
- Other waivers granted working directly with ITS

Supporting Documents

- NC DOR Strategic Plan January 2009 – December 2012
- 2011-2012 DOR IT Goals and Objectives
- DOR IT Dashboard August 2011
- Deviation/waiver letter – TIMS Hosting Decision
- Deviation letter – Email Archive Purchase